

In re: B&B PLASTICS, INC., Debtor.

DENNIS PIXTON, Plaintiff.

v.

B&B PLASTICS, INC., and
SONYA SALKIN, Trustee,
Defendants.

CASE NO.: 04-26039-BKC-PGH
ADV. NO.: 04-2369-BKC-PGH-A

Court granted the Trustee's Cross-Motion for Summary Judgment in holding that funds turned over to the Trustee from an attorney's trust account were property of the estate. The funds were deposited in the attorney's trust account when the Plaintiff rejected the Defendant's attempts to make payments to the Plaintiff pursuant to a licensing agreement. Subsequent to rejecting the payments on the licensing agreement, the Plaintiff won a jury verdict for patent infringement against the Defendant in the District Court for the Southern District of Florida. However, the funds in the attorney's trust account were not disposed of by the District Court. The Defendant filed for bankruptcy, and the Defendant's attorney turned the funds in the trust account over to the Trustee. The Plaintiff claimed that the funds should be returned to him because they were being held in escrow by the attorney for the Plaintiff's benefit. The Court held that the funds were not being held in escrow because there was no written agreement between the parties that enumerated the conditions that would trigger the disbursement of the funds. In addition, the Court held that because the District Court did not determine who owned the disputed funds, the Defendant retained an interest in the funds. Accordingly, the Court held that the funds from the attorney trust account were property of the estate.